

Brief Description: Permitting members of the law enforcement officers' and fire fighters' retirement system plan 2 to make a one-time purchase of additional service credit.

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ELECTRONIC TRANSMITTAL

AN ACT Relating to permitting members of the law enforcement officers' and fire fighters' retirement system plan 2 to make a one-time purchase of additional service credit; adding a new section to chapter 41.26 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** A new section is added to chapter 41.26 RCW under the subchapter heading "plan 2" to read as follows:

(1) A member eligible to retire under RCW 41.26.430 may, at the time of filing a written application for retirement with the department, apply to the department to make a one-time purchase of up to five years of additional service credit.

(2) To purchase additional service credit under this section, a member shall pay the actuarial equivalent value of the resulting increase in the member's benefit.

(3) Subject to rules adopted by the department, a member purchasing additional service credit under this section may pay all or part of the cost with a lump sum payment, eligible rollover, direct rollover, or trustee-to-trustee transfer from an eligible retirement plan. The department shall adopt rules to ensure that all lump sum

payments, rollovers, and transfers comply with the requirements of the internal revenue code and regulations adopted by the internal revenue service. The rules adopted by the department may condition the acceptance of a rollover or transfer from another plan on the receipt of information necessary to enable the department to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.

NEW SECTION. **Sec. 2.** The department of retirement systems shall make optional actuarially equivalent life annuity benefit payment schedules available to members and survivors that may be purchased from the Washington law enforcement officers' and fire fighters' system plan 2 retirement fund.